

**ANNUAL FINANCIAL STATEMENTS OF
MOSHAWENG LOCAL MUNICIPALITY
FOR THE YEAR ENDED 30 JUNE 2009**



MOSHWAWENG LOCAL MUNICIPALITY
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

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GENERAL INFORMATION

Members of the Mayoral Executive Committee (MEC)

Mayor T L Seikaneng

Councillors

Councillor	M I Mothibakeledi (Speaker)	Councillor	S Motloung
Councillor	EO Leshope (Exco Member)	Councillor	MG Sephekolo
Councillor	MS Nkgobang (Exco Member)	Councillor	OR Kokoi
Councillor	MR Maneng (Exco Member)	Councillor	O Leshope
Councillor	M Choche	Councillor	ME Mochwari
Councillor	TM Phele	Councillor	TP Tshipo
Councillor	KJ Gaborokwe	Councillor	K G Gasehete
Councillor	BM Mbolekwa		
Councillor	ML Phuduhudu		
Councillor	OA Motsiele		
Councillor	OH Kgopodithata		
Councillor	MD Moremi		
Councillor	KS Ditshetelo		
Councillor	MG Sephekolo		

Grading of municipality

Grade 3

Auditor:

The Auditor - General

Bankers

ABSA

Registered office:

Private Bag X 117
Mothibistad
8474

Physical address:

D320 Cardington Road
Churchhill Village
8474

Telephone: 053 - 773 9850

Fax: 053 - 773 9850

APPROVAL OF THE FINANCIAL STATEMENTS

The annual financial statements as set out on page 4 to 18 were approved by the Acting Municipal Manager on the 28 September 2009.

ACTING MUNICIPAL MANAGER

K J Mabudi (B.Ed hons)

CHIEF FINANCIAL OFFICER

T J Mohutsiwa (B.Com)

MOSHAWENG LOCAL MUNICIPALITY
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

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FOREWORD OF THE MAYOR

The Moshaweng Local Municipality was established in terms of the Municipal Structures Act of 1998 and proclaimed in the provincial Gazette No 184 of September 2000.

The Moshaweng Local Municipality have since taken its place as a deserving member of the Public Sector in South Africa that have made real tangible changes to its community.

In 2008/2009 we faced the challenge of striving towards meeting all the milestones attached to the provisions of the Municipal Finance Management Act (MFMA) on time. Surely the systems we have put in place, the personnel we have employed and of course the leadership we provide as Council, will ensure that in due course all these provision are met.

Certainly as we roll out the other obligatory formalities of the Municipal Financial Management Act (MFMA), we stand to act with more efficiency, effectiveness and maintaining value for money for our communities.

Despite the above-mentioned difficulty as the Mayor of this Council, I believe that a bright future lies in front of us. With hard work and dedication, we can and will make a difference to the lives of all people in our district.

In conclusion, promulgation of Municipal Finance Management Act 56 of 2003 places various challenges on the operations of the Moshaweng Local Municipality. On behalf of the Council we cherish these challenges and victory will be achieved through full co-operation of the Mayoral Committee, Members of the Council and all Portfolio Committees for their work and continued unconditional support.

Let me express my deepest appreciation to the Finance Department for a collective effort and analysis that went into compiling the financial statements.

TEFO SEIKANENG
Mayor

REPORT FROM THE AUDITOR GENERAL

REPORT OF THE CHIEF FINANCIAL OFFICER

1. Operating results

Details of the operating results per department, classification and object of expenditure are included in appendices C and E. The applicable statistics are shown in appendix F. The overall operating results for the year ended 30 June 2009 are as follows:

INCOME	Actual 2008	Actual 2009	Variance 2008/09	Budget 2009	Variance Actual/ budget
	R	R	%	R	%
Opening Surplus	6 772 488	6 971 119	3%	-	
Income for the year	24 438 087	57 119 896	134%	41 984 171	36%
	31 210 575	64 091 015		41 984 171	
EXPENDITURE					
Expenditure	24 060 358	53 475 567	122%	50 813 329	5%
Sundry Transfers	179 098	346 846	94%		
Closing Surplus(deficit)	6 971 119	10 268 602	47%	(8 829 158)	-
	31 210 575	64 091 015		41 984 171	

2. Capital expenditure and financing

The actual expenditure consists of the following:

	2009 Actual	2009 Budget	2008 Actual
	R	R	R
Fixed assets	23 948 387	51 866 597	24 368 092
	23 948 387	51 866 597	24 368 092

Resources used to finance the fixed assets were as follows:

	2009 Actual	2009 Budget	2008 Actual
	R	R	R
Surplus cash revenue	1 154 981	1 250 000	1 294 162
Grants and subsidies	22 793 405	50 616 597	23 073 930
	23 948 387	51 866 597	24 368 092

A complete analysis of capital expenditure (actual and budgeted) per department is included in appendix C

REPORT OF THE CHIEF FINANCIAL OFFICER (CONTINUED)

3. External loans, investments and cash

DBSA external loans outstanding as at 30 JUNE 2 R 4 484 330

Investments and cash were as follows:

	R	R
	2009	2008
Current bank account	7 513 326	16 563 720
Investments	19 590 745	19 590 744
	27 104 071	36 154 464

More information regarding investments and cash are disclosed in the notes (5 and 7) to the financial statements.

4. Funds and reserves

More information regarding funds and reserves are disclosed in the notes (1 and 2) and appendix A to the financial statements.

5. Post balance sheet events

After the Balance Sheet was finalised no additional information was received that could have had an effect on the affairs reflected.

6. Expression of appreciation

I am grateful to the Mayor (Chairman), members of the Mayoral Executive Committee, Councillors, the Municipal Manager and all office staff for the support they have given me and to the staff of my own office and in particular to the local representatives of the Auditor-General and the auditors appointed by the Auditor-General for their assistance and support during the year.

Chief Financial Officer

T J Mohutsiwa

Bachelor of Commerce (Bcomm)

July 2, 2010

ACCOUNTING POLICY

- 1.1** These financial statements have been prepared so as to conform to the standards laid down by the Institute of Municipal Treasurers and Accountants in its Code of Accounting Practice (1997) and Report on Published Annual Financial Statements (Second edition - January 1996)
- 1.2** The financial statements are prepared on the historical cost basis, adjusted for fixed assets as more fully detailed in Accounting Policy note 3. The accounting policies are consistent with those applied in the previous year, except if otherwise indicated.
- 1.3** The financial statements are prepared on the accrual basis as stated:
- Income is accrued when measurable and available to finance operations. Certain direct income is accrued when received.
 - Expenditure is accrued in the year it is incurred

2 Consolidation

The financial statement include different fund, reserves and provisions.

3 Fixed Assets

3.1 Fixed assets are stated:

- at historical cost; or
- at valuation (based on the market price at date of acquisition), where assets have been acquired by grant or donation, while they are in existence and fit for use, except in the case of bulk assets which are written off at the end off their estimated life as determined by the Treasurer.

3.2 Depreciation:

The balance shown against the heading "Loans Redeemed and Other Capital Receipts" in the notes to the balance sheet is tantamount to a provision for depreciation, however, certain structural differences do exist. By way of this "Provision" assets are written down over their estimated useful life. Apart from advances from the various council funds, assets may also be acquired through:

Appropriations from income, where the full cost of the asset forms an immediate and direct charge against the operating income, and therefore it is unnecessary to make any further provision for depreciation.

Grant or donation, where the amount representing the value of such a grant or donation is immediately credited to the "Loans Redeemed and Other Capital Receipts" account.

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2009

ACCOUNTING POLICY (continued)

3.3 All net proceeds from the sale of fixed property are credited to the Fixed Property sales Fund. Net proceeds from the sale of all other assets are credited either to the Special Capital Fund or the Capital Development Fund.

3.4 Fixed assets are financed from different sources, including external loans, operating income, endowments and internal advances. These loans and advances are repaid within the estimated lives of the assets acquired from such loans or advances. Interest is charged to the service concerned at the ruling interest rate applicable at

4 Provisions

Provisions are recognised when the municipality has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made

5 Trust Funds

These funds were established for capital purpose and are utilized in accordance with the prescriptions by Provincial and National Treasury.

6 Retirement Benefits

The Council and the employees contribute to the Cape Joint Municipal Pension Fund, the Northern Cape Municipal Provident Fund and the SAMWU Provident Fund. These funds supply retirement benefits to the relevant employees.

The Municipal Pension Fund is subject to the Pension Fund Act of 1956. Pensions are calculated on the average annual pensionable emolument of the two years immediately prior to retirement. Current contributions are charged against income. Beneficial experience adjustments are retained in the retirement benefit plan and applied to improvement of benefits to the employees. Full actuarial valuations are performed at intervals of three years in respect of the Municipal Pension Fund. An actuarial valuation of the provident fund is not compulsory in terms of legislation.

7 Medical Aid Funds

Moshaweng Local Municipality, its employees and Councillors contribute to the following medical aid funds.

SAMWU
BONITAS
HOSMED

Benefits are being calculated according to the rules of the different funds. Current contributions are charged against operating income.

8 Investments

Investments are disclosed at their cost value.

MOSHAWENG LOCAL MUNICIPALITY
BALANCE SHEET
AS AT 30 JUNE 2009

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	Notes	2009 R	2008 R
CAPITAL EMPLOYED			
Funds and Reserves		24 246 635	37 211 642
Statutory funds	1	1 554 087	1 790 048
Conditional Grants & other funds	2	12 423 946	28 450 475
Accumulated surplus / (deficit)		10 268 602	6 971 119
		24 246 635	37 211 642
Long term liabilities	3	4 484 330	3 908 373
Total Capital Employed		28 730 965	41 120 015
EMPLOYMENT OF CAPITAL			
Non-Current Assets		4 484 330	3 908 373
Fixed assets	4	4 484 330	3 908 373
Net Current Assets		24 246 635	37 211 642
Current Assets		31 999 712	38 712 558
Debtors	6	4 895 641	2 558 094
Cash and cash equivalent	7	7 513 326	16 563 720
Investments	5	19 590 745	19 590 744
Current Liabilities		7 753 077	1 500 916
Provisions	8	362 867	289 174
Creditors	10	7 390 210	1 211 742
		28 730 965	41 120 015

MOSHAWENG LOCAL MUNICIPALITY
INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2009

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2008 Actual income	2008 Actual expenditure	2008 surplus/ (deficit)		2009 Actual income	2009 Actual expenditure	2009 surplus/ (deficit)
R	R	R	Rates and General services	R	R	R
24 438 087	24 060 358	377 729	Services	57 119 896	53 475 567	3 644 329
24 438 087	24 060 358	377 729	Community services	57 119 896	53 475 567	3 644 329
<u>24 438 087</u>	<u>24 060 358</u>	<u>377 729</u>	TOTAL	<u>57 119 896</u>	<u>53 475 567</u>	<u>3 644 329</u>
			Appropriations for the year			
		(179 098)				(346 846)
		<u>198 631</u>	Net surplus / (deficit) for the year			<u>3 297 483</u>
		-	Adjustment to prior year financial statements see note 10			-
		6 772 488	Accumulated surplus / (deficit) at beginning of year			6 971 119
		<u>6 971 119</u>	Net surplus / (deficit) for the year after adjustments			<u>10 268 602</u>

Refer to appendix C and D for more detail

MOSHAWENG LOCAL MUNICIPALITY
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2009

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	Note	2009 R	2008 R
CASH RETAINED FROM NORMAL ACTIVITIES		31 594 955	44 632 631
Cash generated by activities	13	25 741 673	45 649 420
Investment income		1 978 783	1 188 809
(Increase) / decrease in working capital	14	3 914 614	(2 171 938)
		31 635 070	44 666 291
External interest paid		(40 115)	(33 660)
Cash available from activities		31 594 955	44 632 631
Cash contributions from the public and state		-	-
CASH UTILISED IN INVESTING ACTIVITIES			
Investment in fixed assets	3	(23 948 387)	#####
NET CASH FLOW		7 646 568	13 917 596
CASH EFFECT OF FINANCING ACTIVITIES			
Increase/(decrease) in long term liabilities		575 958	1 220 417
(Increase) / decrease in cash investments	15	(1 978 783)	481 822
(Increase) / decrease in cash on hand	16	9 049 394	#####
Net cash generated / (utilised)		7 646 568	#####

	2009 R	2008 R
1 STATUTORY FUNDS		
Housing	1 554 087	1 790 048
<i>(Refer to appendix A for more detail)</i>	1 554 087	1 790 048
2 UNSPENT CONDITIONAL GRANTS & OTHER FUNDS		
Social development	2 400 000	2 400 000
Cassel Library	169 288	144 941
Valuation Roll	1 574 196	1 625 867
Refurbishment Grant	1 067 366	2 281 132
Drought Relief Fund	360 145	470 448
O&M Grant Dwaff	5 756 148	4 358 918
Kgalagadi Grant	793 991	953 485
Finance Management Grant	377 498	490 750
Premises Clearing Project	(254 252)	1 032
Sports Development	58 486	66 224
MIG	0	15 633 921
Transnet Donation	17 200	23 757
MSIG	103 879	-
<i>(Refer to appendix A for more detail)</i>	12 423 946	28 450 475
3 LONG-TERM LIABILITIES		
DBSA	4 484 330	3 908 373
Less: current portion transferred to current liabilities	-	-
<i>(Refer to appendix B for more detail)</i>	4 484 330	3 908 373
4 FIXED ASSETS		
Fixed assets beginning of the year	245 454 252	214 739 217
Capital expenditure during the year	23 948 387	30 715 035
Assets written of and prior years adjustments	-	-
Total fixed assets	269 402 639	245 454 252
Less: Loans redeemed and other capital receipts	(265 494 266)	(241 545 879)
Net fixed assets	3 908 373	3 908 373
<i>(Refer to appendix B for more information)</i>		
5 INVESTMENTS		
Unlisted		
Call Deposit	15 898 248	15 898 248
32 days deposit	1 625 867	1 625 867
Call Deposit Housing	1 790 048	1 790 048
32 days deposit	276 581	276 581
Total investments	19 590 745	19 590 744
Management's valuation of listed and unlisted investments	19 590 745	19 590 744
Average rate of return on investments	10.10%	6.07%
No investments have been written off during the year		
No investments have been pledged as security for any funding facilities of the Council		
In accordance with Financial Regulations local authorities are required to invest funds, whether held in trust or otherwise, in prescribed securities.		

	2009 R	2008 R
6 DEBTORS		
Current Debtors	4 895 641	679 943
DBSA Loan Claim	-	36 250
Deposit Eskom	-	20 100
DWAFF	-	148 003
VAT	-	1 673 798
	4 895 641	2 558 094
Less: Provision for bad debts	-	-
	4 895 641	2 558 094
7 CASH AND CASH EQUIVALENTS		
Bank	7 513 326	16 562 720
Petty Cash	-	1 000
	7 513 326	16 563 720
	7 513 326	16 562 720
8 PROVISIONS		
Leave	362 867	289 174
	362 867	289 174
9 CREDITORS		
Trade Creditors	7 387 120	443 265
Sundry Creditors	3 090	763 247
Councillor Baicomedi	-	5 000
Agriculture	-	230
Total	7 390 210	1 211 742
10 Appropriations		
Appropriation account:		
Accumulated surplus: beginning of the year	6 971 119	6 722 488
Operating (deficit)/surplus for the year	3 644 329	377 729
Appropriations for the year:	(346 846)	(179 098)
Adjustments for the year		
Creditors after trail balance 2009	-	69 467
Stale CHEQUES	-	41 766
Sale Equipment	-	322 945
Kgalagadi Creditor Cancelled	-	311 927
Bad Dept	-	(589 927)
Petty cash	1 000	-
Bad debts	24 018	-
Prior year adjustments	856 695	-
Suspence account	521 717	-
Provision for leave	(73 694)	-
Interest on investments not processed into the system	(1 676 582)	-
VAT Collection fees	-	(335 276)
Accumulated surplus : end of the year	10 268 602	6 971 119

	2009 R	2008 R
11 COUNCILLOR'S REMUNERATION		
Mayor's allowances	436 299	516 140
Speakers allowances	340 456	-
Councillor's allowances	1 287 660	3 809 315
Mayoral Committee allowances	627 850	-
Councillor's pension contributions and UIF	894 908	-
Councillor's medical aid contributions	219 022	-
Total	3 806 195	4 325 455

Salaries, allowances and benefits to councillors of the municipality are within upper limits of the framework envisaged in section Z19 of

In Kind Benefits

The Mayor, Speaker and Mayoral Committee Members are full time.

The Mayor and Speaker are provided with an office and secretarial support at the cost of the Council. The Mayor has the use of a Council owned vehicle for official duties.

Certification by the Municipal Manager

I certify that the remuneration of Councillors and in-kind benefits are in accordance with the Public Office Bearers Act and the Minister of Provincial and Local Government's determination in accordance with that Act.

12 FINANCING TRANSACTIONS

Total interest earned or paid:

Interest earned	1 978 783	1 188 809
Interest paid	(40 115)	(33 660)
	1 938 668	1 155 149

Capital expenses debited against operating account:

Interest :

- External	40 115	33 600
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13 CASH GENERATED BY OPERATIONS

Surplus/(deficit) for the year	3 644 329	377 729
Adjustments in respect of previous years' operating transactions	-	(179 098)
VAT	-	-
Interest paid	40 115	(33 600)
Investment Income	(1 978 783)	1 188 809
Appropriations charged against income:	15 526 314	1 287 730
Contribution to Capital	23 948 387	1 287 730
Adjustments to funds, Reserves and Provisions	(8 422 073)	-
Capital Development Fund	-	-
Provisions and reserves	-	-

Non-operating income:

Statutory funds	-	175 213
Trust Funds	54 225 918	47 995 558

	2009 R	2008 R
13 CASH GENERATED BY OPERATIONS (continued)		
Non-operating expenditure:		
Statutory Funds	-	(1 947 025)
Trust Funds	(47 695 003)	(29 112 426)
	<u>25 741 673</u>	<u>19 752 890</u>
14 (INCREASE)/DECREASE IN WORKING CAPITAL		
(Increase)/decrease in debtors and long-term debtors	(2 337 547)	(1 077 307)
Increase/(decrease) in creditors & provisions	<u>6 252 161</u>	<u>(1 094 631)</u>
	<u>3 914 614</u>	<u>(2 171 938)</u>
15 (INCREASE)/DECREASE IN EXTERNAL CASH INVESTMENTS		
Investment realised	10 000 000	-
Interest capitalised	(1 978 783)	-
Investment made	<u>(10 000 000)</u>	<u>-</u>
	<u>(1 978 783)</u>	<u>481 822</u>
16 (INCREASE)/DECREASE IN CASH ON HAND		
Cash balance: beginning of the year	16 562 720	942 885
Less Cash balance: end of the year	<u>7 513 326</u>	<u>16 562 720</u>
	<u>9 049 394</u>	<u>(15 619 835)</u>
17 EMPLOYEE RELATED COSTS		
Employee related costs - Salaries and Wages	5 270 719	-
Employee related costs - Contributions for UIF, pensions and medical a	152 565	-
Travel, motor car	2 517 781	-
Housing benefits and allowances	607 921	-
Other allowances	<u>451 439</u>	<u>-</u>
	<u>9 000 425</u>	<u>-</u>
17.1 Remuneration of the Municipal Manager		
Annual Remuneration	558 377	955 123
Housing Subsidy	12 750	120 204
Medical Aid	28 269	-
Transport Allowance	175 994	-
Pension	77 740	-
UIF Contribution	1 997	-
Industrial Council Contribution	<u>56</u>	<u>-</u>
	<u>855 183</u>	<u>1 075 327</u>
17.2 Remuneration of the Corporate Services Manager		
Annual Remuneration	187 124	520 139
Housing Subsidy	17 000	50 000
Transport Allowance	188 921	-
Pension	69 210	-
UIF Contribution	1 497	-
Industrial Council Contribution	<u>41</u>	<u>-</u>
	<u>463 794</u>	<u>570 139</u>
17.3 Remuneration of the Community Services Manager		
Annual Remuneration	195 672	196 762
Housing Subsidy	17 000	-
Medical Aid	22 752	-
Transport Allowance	219 221	-
Pension	60 210	-
UIF Contribution	1 497	-
Industrial Council Contribution	<u>41</u>	<u>-</u>
	<u>516 394</u>	<u>196 762</u>

	2009 R	2008 R
17 EMPLOYEE RELATED COSTS (continued)		
17.4 Remuneration of the Chief Financial Officer		
Annual Remuneration	160 010	451 362
Housing Subsidy	41 000	-
Medical Aid	34 116	-
Transport Allowance	171 474	-
Pension	71 800	-
UIF Contribution	1 497	-
Industrial Council Contribution	41	-
	<u>479 939</u>	<u>451 362</u>
17.5 Remuneration of the Technical Services Manager		
Annual Remuneration	142 273	518 443
Housing Subsidy	17 000	71 000
Medical Aid	43 356	-
Transport Allowance	191 572	-
Pension	68 657	-
UIF Contribution	1 497	-
Industrial Council Contribution	41	-
	<u>464 397</u>	<u>589 443</u>
18 GOVERNMENT GRANTS AND SUBSIDIES		
Equitable Share	29 150 817	-
Social Development	-	2 400 000
Cassel library Grant	269 333	-
DWAFF Water Services	24 126 692	469 793
Financial Management Grant	500 000	500 000
O & M Grant Dwaff	24 126 692	10 052 000
Sports Development	-	100 000
MIG	28 426 884	31 433 770
Refurbishment Grant	-	1 868 000
MSIG	735 000	734 000
Premises Cleaning Project	219 681	312 851
Drought Relief	-	-
Total Government Grant and Subsidies	<u>107 555 099</u>	<u>47 870 415</u>
18.1 Equitable Share		
Balance unspent at beginning of year		
Current year receipts	29 150 817	-
Conditions met - transferred to revenue	(29 150 817)	-
Conditions still to be met - transferred to liabilities	-	-
	<u>-</u>	<u>-</u>
This grant is constitutionally an unconditional grant.		
18.2 MSIG		
Balance unspent at the beginning of the year	-	71 352
Current year receipts -	735 000	734 000
Conditions met - transferred to revenue	(631 121)	(805 352)
Conditions still to be met - transferred to liabilities	103 879	-
	<u>103 879</u>	<u>-</u>
This grant was used to assist in building capacity in the district and local municipalities to ensure that the new developmental system of local government is fully implemented.		
18.3 Financial management grant		
Balance unspent at the beginning of year	490 749	394 383
Current year receipts	500 000	500 000
Conditions met - transferred to revenue	(613 251)	(403 633)
Conditions met - transferred to liabilities	377 498	490 749
	<u>377 498</u>	<u>490 749</u>

	2009	2008
	R	R
18 GOVERNMENT GRANTS AND SUBSIDIES(continued)		
18.4 Social Development		
Balance unspent at the beginning of year	2 400 000	-
Current year receipts	-	2 400 000
Conditions met - transferred to revenue	-	-
Conditions met - transferred to liabilities	<u>2 400 000</u>	<u>2 400 000</u>
18.5 DWAFF Water Services		
Balance unspent at the beginning of year	-	-
Current year receipts	24 126 692	469 793
Conditions met - transferred to revenue	-	(469 793)
Conditions met - transferred to liabilities	<u>24 126 692</u>	<u>-</u>
The grant is used for basic water services meaning Basic Water Supply Facilities/ or Basic Sanitation Facilities as defined in the Strategic Framework for Water Services, approved by Cabinet September 2003.		
18.6 O & M Grant Dwaff		
Balance unspent at the beginning of year	4 358 918	50 543
Current year receipts	24 126 692	10 052 000
Conditions met - transferred to revenue	<u>(22 729 461)</u>	<u>(5 743 625)</u>
Conditions met - transferred to liabilities	<u>5 756 148</u>	<u>4 358 918</u>
18.7 Sports Development		
Balance unspent at the beginning of year	66 224	-
Current year receipts	-	100 000
Conditions met - transferred to revenue	<u>(7 738)</u>	<u>(33 776)</u>
Conditions met - transferred to liabilities	<u>58 486</u>	<u>66 224</u>
18.8 MIG		
Balance unspent at the beginning of year	15 633 921	2 821 242
Current year receipts	28 426 884	31 433 770
Conditions met - transferred to revenue	<u>(44 060 804)</u>	<u>(18 621 091)</u>
Conditions met - transferred to liabilities	<u>0</u>	<u>15 633 921</u>
MIG is conditional grant that was established to address national priorities regrading municipal infrastructure that may not be realised through unconditional grants such as equitable share.Among other conditions No MIG funds may be spent outside the framework of municipality's s pre-existing Integrated Development Plan and its approved budget.		
18.9 Refurbishment Grant		
Balance unspent at the beginning of year	2 281 132	2 819 363
Current year receipts	-	1 868 000
Conditions met - transferred to revenue	<u>(1 213 766)</u>	<u>(2 406 230)</u>
Conditions met - transferred to liabilities	<u>1 067 366</u>	<u>2 281 132</u>
18.10 Premises Cleaning Project		
Balance unspent at the beginning of year	1 032	-
Current year receipts	219 681	312 851
Conditions met - transferred to revenue	<u>(474 966)</u>	<u>(311 819)</u>
Conditions met - transferred to liabilities	<u>(254 252)</u>	<u>1 032</u>
18.11 Drought Relief		
Balance unspent at the beginning of year	470 448	470 448
Current year receipts	-	-
Conditions met - transferred to revenue	<u>(110 303)</u>	<u>-</u>
Conditions met - transferred to liabilities	<u>360 145</u>	<u>470 448</u>
18.12 Kgalagadi Grants		
Balance unspent at the beginning of year	953 486	1 005 017
Current year receipts	-	-
Conditions met - transferred to revenue	<u>(159 495)</u>	<u>(51 531)</u>
Conditions met - transferred to liabilities	<u>793 991</u>	<u>953 486</u>

	2009 R	2008 R
19 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT		
19.1 Contributions to organized local government		
Opening balance	-	-
Council subscriptions	40 292	-
Amount paid - current year	(40 292)	-
Amount paid - previous years	-	-
Balance unpaid (included in creditors)	<u>-</u>	<u>-</u>
19.2 Audit Fees		
Opening balance	-	-
Current year audit fee	589 747	-
Amount paid - current year	(589 747)	-
Amount paid - previous years	-	-
Balance unpaid (included in creditors)	<u>-</u>	<u>-</u>
19.3 VAT		
Opening balance	1 673 798	1 673 798
Movement in control account	(5 685 639)	-
VAT received/paid during the year	-	-
Balance unpaid (included in debtors)	<u>(4 011 841)</u>	<u>1 673 798</u>
All VAT returns have been submitted throughout the year		
19.4 PAYE		
Opening balance	-	-
Current year payroll deductions	1 852 050	-
Amount paid - current year	(1 852 050)	-
Amount paid - previous years	-	-
Balance unpaid (included in creditors)	<u>-</u>	<u>-</u>
19.5 Pension and Medical Aid Deductions		
Opening Balance	-	-
Current year payroll deductions	2 585 852	-
Amount paid - current year	(2 585 852)	-
Amount paid - previous years	-	-
Balance unpaid (included in creditors)	<u>-</u>	<u>-</u>

	2009 R	2008 R
19 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT (continued)		
19.6 Current Account (Primary Bank Account)		
ABSA Bank - Kuruman Branch Account number: 4054385292		
Cash book balance at beginning of year - (overdrawn)	16 562 720	942 885
Cash book balance at end of year - (overdrawn)	<u>7 513 326</u>	<u>16 562 720</u>
Bank statement balance at beginning of year - (overdrawn)	17 762 520	-
Bank statement balance at end of year - (overdrawn)	<u>7 513 326</u>	<u>17 762 520</u>
20 CAPITAL COMMITMENTS		
Commitments in respect of capital expenditure:		
- Approved and contracted for	23 948 387	-
- Approved but not yet contracted for	27 918 211	-
Unspent balance at 30 June 2009	-	-
	<u>51 866 597</u>	<u>-</u>
This expenditure will be financed from:		
- Internal sources	1 250 000	-
- External sources	50 616 597	-
	<u>51 866 597</u>	<u>-</u>
21 CONTINGENT LIABILITY		
No information was available for contingent liabilities		
22 RETIREMENT BENEFITS		
The Municipal Pension Fund is subject to the Pension Fund Act of 1956. Pensions are calculated on the average annual pensionable emolument of the two years immediately prior to retirement. Current contributions are charged against income. Beneficial experience adjustments are retained in the retirement benefit plan and applied to improvement of benefits to the employees. Full actuarial valuations are performed at intervals of three years in respect of the Municipal Pension Fund. An actuarial valuation of the provident fund is not compulsory in terms of legislation. Details of the actuarial valuation could not be obtained.		
23 Councillors' arrear consumer accounts		
Arrear consumer accounts	nil	nil

FINANCIAL STATEMENTS

APPENDIX A: STATUTORY FUNDS, RESERVES AND TRUST FUNDS AS ON 30 JUNE 2009

	Balance on 01-07-08	Net surplus/ (deficit)	Interest on investment	Other income	Operating/JNL expenditure during the year	Capital expenditure during the year	Balance Surplus/ (deficit) 30-06-09
	R	R	R	R		R	R
STATUTORY FUNDS							
Housing	1 790 048	-	-	-	-	(235 961)	1 554 087
	<u>1 790 048</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(235 961)</u>	<u>1 554 087</u>
UNSPENT CONDITIONAL GRANTS & OTHER FUNDS							
Valuation Roll	1 625 867	-	-	(51 672)	-	-	1 574 196
Social Development	2 400 000	-	-	-	-	-	2 400 000
Grant Cassel	144 941	-	-	269 333	(244 985)	-	169 288
Finance Management Grant	490 749	-	-	500 000	(478 453)	(134 799)	377 498
Kgalagadi Grants	953 486	-	-	-	(159 495)	-	793 991
DWAFF	4 358 918	-	-	#####	#####	-	5 756 148
Drought Relief	470 448	-	-	-	-	(110 303)	360 145
Sports Development	66 224	-	-	-	(7 738)	-	58 486
MIG	15 633 921	-	-	#####	#####	#####	0
Refurbishment Grant	2 281 132	-	-	-	-	(1 213 766)	1 067 366
Municipal System Improvement	-	-	-	735 000	(631 121)	-	103 879
Transnet Donation	23 757	-	-	-	(6 557)	-	17 200
Premises Clearing Project	1 032	-	-	219 681	(474 966)	-	(254 252)
	<u>28 450 476</u>	<u>-</u>	<u>-</u>	<u>#####</u>	<u>#####</u>	<u>#####</u>	<u>12 423 946</u>
TOTAL	<u>30 240 524</u>	<u>-</u>	<u>-</u>	<u>#####</u>		<u>#####</u>	<u>13 978 033</u>

MOSHAWENG LOCAL MUNICIPALITY
FINANCIAL STATEMENTS
APPENDIX B: EXTERNAL LOANS

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External loans	Interest Rate	Loan No	Date approved	Year of settlement	Balance 01.07.2008 R	Received 2009 R	djustment 2009 R	Redeemed/ Written Off 2009 R	Balance 30.06.2009 R
Development Bank of South Africa	1%	101251		2016	3 908 372	575 958	-	-	4 484 330
					3 908 372	575 958	-	-	4 484 330
Total external loans					3 908 372	575 958	-	-	4 484 330

FINANCIAL STATEMENTS

APPENDIX C FIXED ASSETS

Expenditure 2008	Services	Budget 2009	Balance on 01-07-08	Expenditure during the year	Corrections or written off	Balance on 30-06-09
R		R	R	R	R	R
#####	COUNCIL	-	245 454 251	23 948 387	-	269 402 638
#####	COUNCIL	-	245 454 251	23 948 387	-	269 402 638
#####	Infrastructure	-	195 149 958	22 850 924	-	218 000 882
81 965	Community assets	-	10 394 105	-	-	10 394 105
#####	Land & Buildings	-	31 060 359	596 203	-	31 656 562
592 185	Other assets	-	8 849 829	501 260	-	9 351 089
#####	TOTAL FIXED ASSETS	-	245 454 251	23 948 387	-	269 402 638
LESS: LOANS REDEEMED AND						
#####	OTHER CAPITAL RECEIPTS	-	#####	(23 948 387)	-	(265 494 266)
#####	Surplus cash revenue	-	(26 109 835)	(1 154 981)	-	(27 264 816)
-	Cash reserves	-	(5 733 340)	-	-	(5 733 340)
#####	Grants and subsidies	-	#####	(22 793 405)	-	(157 058 261)
#####	Donations	-	(75 437 849)	-	-	(75 437 849)
1 220 417	NET FIXED ASSETS	-	3 908 372	-	-	3 908 372



FINANCIAL STATEMENTS

APPENDIX D: ANALYSIS OF OPERATING INCOME AND EXPENDITURE

2008		2009	2009
Actual		Actual	Budget
R		R	R
23 098 039	Grants and subsidies	54 781 842	39 914 399
-	Equitable share	29 150 817	28 306 000
-	MSIG	735 000	735 000
-	Financial Management Grant	500 000	1 024 516
-	Cassel library Grant	269 333	444 883
	Dwaff Water Services Grant	24 126 692	9 404 000
23 098 039	Grants and subsidies	-	-
1 340 048	Operating income	2 338 054	2 069 772
1 340 048	Revenue & tariffs	-	-
-	Water Sales	-	200 000
-	Interest received	2 008 564	1 725 372
-	-Other income	329 490	144 400
24 438 087	Total Income	57 119 896	41 984 171
EXPENDITURE			
9 890 734	Salaries, wages and allowances	11 780 132	12 479 032
10 771 785	General expenses	37 981 806	34 514 107
2 015 626	Repairs and maintenance	2 518 532	2 520 190
33 660	Capital Cost	40 115	50 000
1 287 730	Contributions to fixed assets	1 154 981	1 250 000
60 823	Leave provision	-	-
24 060 358	Total expenditure	53 475 567	50 813 329

FINANCIAL STATEMENTS

APPENDIX E: DETAILED INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2009

2008 Actual income	2008 Actual expenditure	2008 surplus / (deficit)		2009 Actual income	2009 Actual expenditure	2009 surplus / (deficit)	2009 Budget surplus / (deficit)
R	R	R		R	R	R	R
RATES AND GENERAL SERVICES							
24 438 087	24 060 358	377 729		57 119 896	53 475 567	3 644 329	(325 676)
24 438 087	24 060 358	377 729	Council General	57 119 896	53 475 567	3 644 329	(325 676)
27 055	5 163 696	(5 136 641)	Council	12 677	2 984 886	(2 972 208)	(5 058 449)
-	1 401 486	(1 401 486)	Municipal Manager	-	1 995 418	(1 995 418)	(2 332 118)
-	5 033 205	(5 033 205)	Corporate Services	287 126	5 865 614	(5 578 488)	(5 551 108)
20 000	1 385 223	(1 365 223)	Community Services	269 333	3 603 265	(3 333 932)	(3 304 968)
23 600	6 261 758	(6 238 158)	Technical Services	24 144 379	33 812 357	(9 667 978)	(8 474 942)
-	1 823 437	(1 823 437)	Planning & Development	12 000	2 042 684	(2 030 684)	(2 091 385)
-	1 044 140	(1 044 140)	Surplus Funds	-	-	-	-
24 367 432	1 947 413	22 420 019	Finance	32 394 381	3 171 343	29 223 038	26 487 294
24 438 087	24 060 358	377 729	TOTAL	57 119 896	53 475 567	3 644 329	(325 676)
		(179 098)	Appropriation for the year			(346 846)	
		198 631	Net surplus/(deficit) for the year			3 297 483	
		-	Adjustment to prior year financial statements (Refer to note 10)			-	
		6 772 488	Accumulated surplus / (deficit) at beginning of year			6 971 119	
		6 971 119				10 268 602	

	2009	2008
Statistical Information		
General information		
SCHOOLS		
Pre-Schools	8	8
Primary	94	94
Secondary	12	12
Middle	19	19
Combined	1	1
ABET	2	2
Intermediate	7	7
Population	105 364	105 364
Municipal area	6030000ha	6030000ha
Vilages	190	190
Emoloyment Status		
Employed	3 938	3 938
Unemployed	5 927	5 927
Scholars	10 243	10 243
Housewife	4 986	4 986
Backlog Basic Services:		
Sanitation Units	13 132	13 132
Without Water Reticulation Villages	26	26
Households Registered Indigent	10 350	10 350
Status of Housing		
House or Brick Structure	11 832	11 832
Traditional Dwelling/Hut	5 592	5 592
Flats in Block Flats	39	39
Town?Cluster/Semi-Detatched	48	48
House/Flat/Room/in Back yard	29	29
Informal Dwelling/Shack on own Yard	185	185
Informal Dwelling/Shack on own Stand	396	396
Room/Flat on Shared Property	40	40
Caravans	14	14